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 TO RUMJKA/AMEMBASSY DHAKA 8346  
 RUEHYD/AMEMBASSY YAOUNDE 6515  
 RUEHEG/AMEMBASSY CAIRO 6493  
 RUEHGR/AMEMBASSY GRENADA 1912  
 RUFHRA/AMEMBASSY RABAT 6544  
 RUEHDK/AMEMBASSY DAKAR 1941  
 RUEHAK/AMEMBASSY ANKARA 6960  
 RUEHKI/AMEMBASSY KINSHASA 9142  
 INFO RUEHPU/AMEMBASSY PORT AU PRINCE 3407  
 RUEHZP/AMEMBASSY PANAMA 9899  
 RUEHMN/AMEMBASSY MONTEVIDEO 5260  
 RUFHLC/AMEMBASSY LIBREVILLE 8664  
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TAGS: EINV BC CM EC GH MD SG TU CG HA PM UY GB  
SUBJECT:S: STATUS REPORT

1. THE FOLLOWING IS A STATUS REPORT ON THE BILATERAL INVESTMENT TREATIES (BITS) CONCLUDED BY THE USG AND BANGLADESH, CAMEROON, EGYPT, GRENADA, HAITI, MOROCCO, PANAMA, SENEGAL, TURKEY AND ZAIRE BETWEEN 1982 AND 1986, AND SUBMITTED FOR RATIFICATION IN 1986. (THE USG HAS ALSO INITIALED BUT NOT YET SIGNED A BIT WITH GABON).

2. POSTS MAY REMEMBER THAT THE BITS WERE SUBMITTED TO THE SENATE FOREIGN RELATIONS COMMITTEE (SFRC) IN 1986 FOR SENATE ADVICE AND CONSENT TO RATIFICATION. HEARINGS WERE HELD IN AUGUST OF 1986, BUT THE BITS WERE NEVER REPORTED OUT OF COMMITTEE DUE TO CONCERNS BY SOME SENATORS THAT THE BITS COULD INHIBIT THE PRESIDENT FROM TAKING ECONOMIC SANCTIONS FOR NATIONAL SECURITY REASONS.

3. FROM AUGUST 1986 UNTIL THE SPRING OF 1988, WE WORKED WITH SFRC STAFFERS ON AN UNDERSTANDING TO ACCOMPANY

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RATIFICATION CLARIFYING THE RIGHT UNDER THE TREATIES OF THE BIT SIGNATORIES TO TAKE ACTIONS FOR NATIONAL SECURITY REASONS, BUT DID NOT MAKE PROGRESS. FINALLY, THIS SPRING WE SUBMITTED NEW PROPOSED LANGUAGE FOR SUCH AN UNDERSTANDING WHICH WAS ACCEPTABLE TO THE STAFFERS.

4. AFTER SFRC AND ADMINISTRATION CONSULTATIONS, EIGHT OF THE TEN BITS WERE PUT FORWARD FOR RATIFICATION. THE ADMINISTRATION REQUESTED THAT THE HAITI AND PANAMA BITS BE HELD BACK AFTER INTERAGENCY CONSENSUS WAS REACHED

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THAT, AMONG OTHER REASONS, PUTTING FORWARD THOSE TWO TREATIES NOW COULD WELL JEOPARDIZE THE OTHER EIGHT. THE HAITI AND PANAMA BITS WILL REMAIN IN COMMITTEE AND MAY BE PUT FORWARD AT A LATER DATE PENDING FUTURE POLITICAL AND ECONOMIC DEVELOPMENTS.

5. HEARINGS ON THE BITS WERE HELD ON AUGUST 9. EB ASSISTANT SECRETARY EUGENE MCALLISTER TESTIFIED, DEPUTY USTR ALAN HOLMER SUBMITTED A WRITTEN STATEMENT FOR THE RECORD, AND THE HEARINGS WENT SMOOTHLY.

6. A BUSINESS MEETING OF THE SFRC AT WHICH THE BITS WERE TO BE REPORTED OUT OF COMMITTEE WAS SCHEDULED FOR AUGUST 11. IT WAS NOT HELD BECAUSE A QUORUM WAS NOT ACHIEVED. THE BUSINESS MEETING HAS BEEN RESCHEDULED FOR SEPTEMBER 13. THE ATMOSPHERE OF THE HEARINGS AND THE ABORTED BUSINESS MEETING WAS SUCH THAT WE FEEL CONFIDENT THAT THE BITS SHOULD BE REPORTED OUT OF COMMITTEE ON SEPTEMBER 13 AND CONSIDERED ON THE FLOOR PRIOR TO ADJOURNMENT, WHICH WILL PROBABLY TAKE PLACE AROUND OCTOBER 5 OR 6. WE WILL INFORM ADDRESSEE POSTS OF THE OUTCOME OF THE SEPTEMBER 13 MEETING. WE WILL ALSO PROVIDE DETAILS ON THE UNDERSTANDING LANGUAGE ONCE WE ARE CERTAIN IT HAS BEEN ACCEPTED BY THE SFRC.

7. THIS CABLE WAS CLEARED INTERAGENCY. WHITEHEAD  
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